

State of Tennessee
Governor's Office of
Diversity Business
Enterprise

ANNUAL REPORT

Fiscal Year 2009 - 2010



665 MAINSTREAM DRIVE
METRO CENTER
NASHVILLE, TENNESSEE 37243



STATE OF TENNESSEE
EXECUTIVE ORDER
BY THE GOVERNOR
NO. 14

AN ORDER REGARDING DIVERSITY IN STATE CONTRACTING AND PROCUREMENT

WHEREAS, building and maintaining a strong, vibrant economy is critical to the future of this great state; and

WHEREAS, securing the economic health and vitality of this state in the 21st century demands that the State of Tennessee expand economic opportunity to all of its citizens and businesses; and

WHEREAS, throughout the history of this state and nation, some minority and other protected groups have suffered grave injustice from the effects of economic discrimination. Even today some groups continue to struggle for an equal opportunity to earn a living and to take full advantage of economic opportunities; and

WHEREAS, this Administration is firmly committed to the principle of expanding economic opportunities to all Tennesseans. This commitment is evidenced in part by Executive Order No. 13, signed on October 9, 2003, detailing this state's commitment to equal and fair employment opportunities within state government; and

WHEREAS, another key element of expanding economic opportunities to all Tennesseans lies in providing opportunities for small businesses and businesses owned by minorities and women to grow and succeed. This Administration fully recognizes that it is in a unique position to serve as a role model for all businesses throughout Tennessee in contracting and doing business with small businesses and businesses owned by minorities and women; and

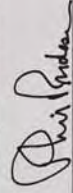
WHEREAS, the State of Tennessee currently attempts to provide a variety of services and resources to assist these businesses both in general growth and development and in specific efforts to secure state contracting and procurement opportunities. While many departments and agencies are working toward this common goal, there is currently no centralized organization to coordinate and focus the work of those departments and agencies; and

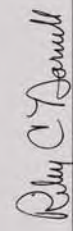
WHEREAS, it is clearly in the best interest of this state to ensure that small businesses and businesses owned by minorities and women are given the resources needed to grow into economically sound entities that are afforded the opportunity to compete successfully for the State of Tennessee's expenditures for goods and services.

NOW THEREFORE, I, Phil Bredesen, Governor of the State of Tennessee, by virtue of the power and authority vested in me by the Constitution and laws of this state, do hereby order and direct that:

1. It is the unwavering policy of this state to expand economic opportunities, both inside and outside state government, for small businesses and businesses owned by minorities and women. A primary component of this effort will be to expand opportunities for these businesses to compete successfully for the state's expenditures for goods and services. The success of this endeavor depends upon the unqualified, enthusiastic participation and commitment from every employee of state government. To this end, all Executive Branch departments, agencies, boards and commissions and any other divisions of the Executive Branch of state government shall fully cooperate to accomplish both the general and specific objectives of this Executive Order.
2. There is hereby created the **Governor's Office of Diversity Business Enterprise**. This office is charged with coordinating and directing the Executive Branch's efforts in assisting small businesses and businesses owned by minorities and women to develop into viable, successful businesses. This work shall specifically include assisting these businesses to compete successfully for the State of Tennessee's expenditures for goods and services. In fulfilling its charge, the **Governor's Office of Diversity Business Enterprise** is directed to work with all existing state agencies and offices, specifically including the Office of Business Enterprise within the Department of Economic and Community Development.
3. The **Governor's Office of Diversity Business Enterprise** is directed to thoroughly review current state laws governing state contracting and procurement opportunities for small businesses and minority and women owned businesses and recommend to the Governor any needed changes to existing laws and any needed additional legislation.
4. All Executive Branch departments, agencies, boards and commissions and any other divisions of the Executive Branch of state government shall fully cooperate with the **Governor's Office of Diversity Business Enterprise** and shall provide staff support and any other assistance as requested. This cooperation specifically includes, but is not limited to, establishing annual departmental or agency level internal goals for small business and minority and women owned business contracting. In establishing these annual goals, each department and agency shall work closely with the **Governor's Office of Diversity Business Enterprise**.
5. The **Governor's Office of Diversity Business Enterprise** shall be under the direction of the Commissioner of General Services. As Director of the **Governor's Office of Diversity Business Enterprise**, the Commissioner of General Services shall appoint a Diversity Business Program Director. This individual will work closely with the five major procurement entities within state government in order to ensure an optimal level of small business and minority and women owned business contracting. These five major procurement entities include the Department of Economic and Community Development, the Department of Finance and Administration, the Department of General Services, the Department of Transportation and the State Building Commission.
6. The **Governor's Office of Diversity Business Enterprise** shall be attached to the Department of General Services for administrative purposes.
7. This Executive Order supercedes and rescinds any and all executive orders and implementing directives and memoranda on the same subject.

IN WITNESS WHEREOF, I have subscribed my signature and caused the Great Seal of the State of Tennessee to be affixed this 8th day of December, 2003.


GOVERNOR


SECRETARY OF STATE



**STATE OF TENNESSEE
DEPARTMENT OF GENERAL SERVICES
GOVERNOR'S OFFICE OF DIVERSITY BUSINESS ENTERPRISE
27th Floor, William R. Snodgrass Tennessee Tower
312 Eight Avenue North
Nashville, Tennessee 37243
615-253-4657
FAX 615-253-4813**

**GWENDOLYN SIMS DAVIS
COMMISSIONER**

**MICHAEL F. PERRY
ASSISTANT
COMMISSIONER**

December 31, 2010

The Honorable Phil Bredesen
Governor of Tennessee
First Floor State Capital
Nashville, Tennessee 37243

Dear Governor Bredesen:

The purpose of the *"Tennessee Minority Owned, Woman Owned and Small Business Procurement and Contracting Act"* is to expand procurement opportunities to minority owned, women owned and small businesses interested in doing business with the state of Tennessee. The act designated the Governor's Office of Diversity Business Enterprise as the central point of contact for assisting minority owned, woman owned and small businesses under Tennessee Code Annotated §12-3-801 through 808 et. sq.

For several years now, The Governor's Office of Diversity Business Enterprise in partnership with state agencies and departments has committed to maximizing opportunities for minority, women owned and small business enterprises. We have partnered with state agencies and departments with procurement authority to implement a program whereby all contracting activity is reviewed for their potential to expand economic opportunities to diversity business enterprises.

It was not known in 2003 when you signed Executive Order No. 14 the degree to which a program of this nature would be needed. In order to provide a sound legal basis for the program, we contracted with a consultant to research and conduct a Comprehensive Disparity Study for the period 2002 through 2007. The study revealed that the state of Tennessee was doing less than 2.0% in participation with minority owned and women owned businesses enterprises for that period.

As a result of the study's determination and findings on July 1, 2010, the Tennessee General Assembly amended T.C.A. at §12-3-801 through 808. The amendment provides that the Governor's Office of Diversity Business Enterprise will "continue to assist small businesses and businesses owned by minorities and women to develop them into viable, successful businesses. This work shall include assisting these businesses to compete successfully for the state of Tennessee expenditures for goods and services".

The definition for small business enterprises was expanded under the amendment to include a definition for a Tennessee Small Business. The annual sale volume for a "Small Business Enterprise" under the amendment was raised from \$2 million dollars annually to \$10 million dollars averaged over a three year period and one which employs no more than thirty (30) employees on a full time basis.

The amendment will allow for more businesses owned by Tennessee Small Businesses to be included in the statewide diversity program. The General Assembly also passed Public Chapter 1140 which included Service-disabled Veteran owned businesses as the fourth (4th) sub-category for the office of Diversity Business Enterprise to assist in competing for state procurement opportunities.

In accordance with T.C.A. §12-3-801 through 808 the Commissioner of General Services is directed to make an annual report to the Governor and the General Assembly regarding state procurements and contracts awarded to minority owned, woman owned and small businesses.

Presented herein is the annual report on purchases and contract awards for Fiscal Year 2009-10.

Sincerely,

Gwendolyn Sims Davis
Commissioner

GSD:sjs



TABLE OF CONTENTS

Executive Summary

Mission Statement	1
History	1
Executive Order	1
Authority	2
Recent Legislative Changes	3
New Business Procurement Process	6
Organizational Chart	7

Part 1 Program Highlights

Diversity Business Purchases and Contract Awards	11
Certified Diversity Business Awards by Percentage and Ethnicity	12
Registration	13
Certification	14
Certification by Industry	15
Departments with Diversity Business Participation	16
Dollars Awarded to Diversity Business Enterprises	17
Agency and Departmental Goals	18

Part 2 Program Reporting by Tennessee Code Annotated

Go-DBE Participation; Purchase Order and Contract Awards	21
Go-DBE Minority Owned Business Solicited for State Procurement Opportunities ..	22





EXECUTIVE SUMMARY

Mission Statement

To coordinate the state's efforts to facilitate greater participation by minority owned, woman owned and small businesses in the state's procurement and contracting opportunities. The Office works closely with the five major procurement entities; the Departments of Economic and Community Development, Finance & Administration, General Services, Transportation and the State Building Commission to ensure an optimal level of participation by diversity businesses in state contracting.

History

Previous programs to assist minority owned, woman owned and small businesses, desiring to do business with state departments and agencies, did little to increase participation in state procurement and contracting opportunities. The maze of varied and decentralized procurement processes continued to be complicated, confusing and discouraging to diversity businesses. Governor Bredesen recognized that the state of Tennessee must do more to ensure that diversity businesses are given a fair and equal opportunity to participate in the state's procurement of goods and services. That strong commitment to diversity businesses resulted in the appointment of a cabinet level team, led by the Commissioner of General Services, to conduct a comprehensive review of the state's procurement and contracting processes and to make recommendations to the Governor for statewide initiatives to stimulate increased participation by minority owned, woman owned and small businesses. The team recognized the need for a single entity to coordinate recommended initiatives and developed a strategic plan to link the state's major procuring departments through creation of the Governor's Office of Diversity Business Enterprise.

Creation of the Governor's Office of Diversity Business Enterprise

The Governor's Office of Diversity Business Enterprise (Go-DBE) was created by Executive Order Number 14, on December 8, 2003, in an effort to expand economic opportunities for small businesses and businesses owned by minorities and women. This office is charged with coordinating and directing the Executive Branch's efforts to increase participation by small businesses and businesses owned by minorities and women in the state's procurement and contracting opportunities. The Office works with all state departments and agencies, including the Department of Economic and Community Development to assist these businesses in successfully competing for the state of Tennessee's expenditures for goods and services. The Office is the central point of contact for small businesses and businesses owned by minorities and women, desiring to participate in state procurement and contracting of goods and services.



EXECUTIVE SUMMARY

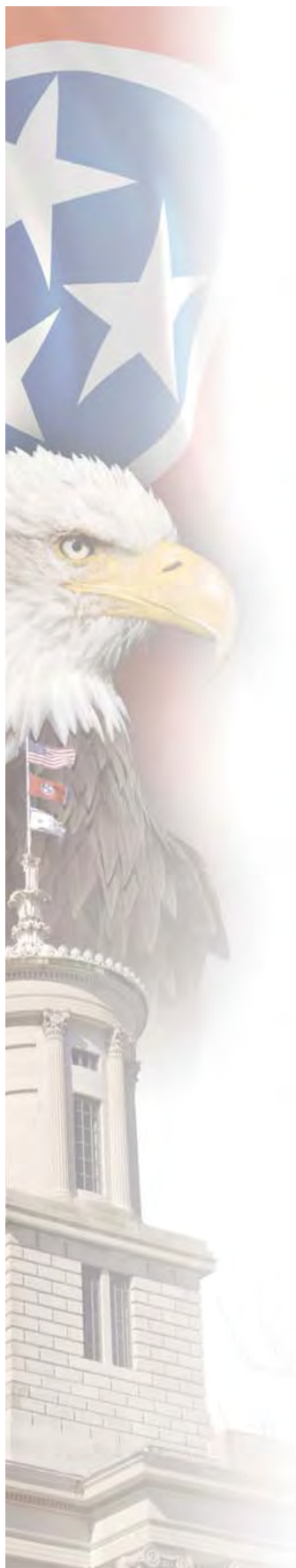


Authority

The Governor's Office of Diversity was codified in 2004 upon passage of the "Tennessee Minority Owned, Woman Owned and Small Business Procurement and Contracting Act." Tennessee Code Annotated 12-3-801 through 808 requires the Governor's Office of Diversity Business Enterprise to:

- Compile and maintain a comprehensive list of minority owned, woman owned and small businesses to provide potential sources for various goods and services.
- Assist minority owned, woman owned and small businesses in complying with state procurement and contracting procedures and requirements.
- Examine requests from state agencies for the purchase of materials, supplies, equipment or services to help determine which invitations to bid and requests for proposals may offer increased opportunities for minority owned, woman owned and small businesses; and
- Make recommendations to appropriate state agencies for the simplification of procurement and contract specifications and terms in order to increase the opportunities of participation by minority owned, woman owned and small businesses.

All departments, agencies, boards and commissions are required to fully cooperate with the Governor's Office of Diversity Business Enterprise to provide information regarding upcoming procurement opportunities, make periodic reports on diversity business participation and actively solicit bids and proposals from small, minority and woman owned businesses. In addition, each department is required to establish internal agency level goals of small, minority and woman owned business contracting.





EXECUTIVE SUMMARY

Recent Legislative Changes

Public Chapter 1135 amended T.C.A. at Title 12, Chapter 3, and Part 8 by adding Tennessee Small Business Classification. The amendment codified the Governor's Office of Diversity Business Enterprise to administer the provisions of this part.

The amendment creates a new category for small businesses meeting with program guidelines. "Tennessee small business means a business that is a continuing for profit, independent business which performs a commercially useful function with residence in Tennessee and has total gross receipts of no more than ten (\$10) million dollars averaged over a period and employs no more than 30 employees on a full time-basis".

The Governor's Office of Diversity Business Enterprise shall assist small businesses and businesses owned by minorities and women to develop into viable, successful businesses.

The newly appointed Chief Procurement Officer in consultation with the department of General Services and Economic and Community Development shall study opportunities available to "Tennessee Small Businesses" in state contracting and the potential effect of enhancing such opportunities through the utilization of monetary allowances.

On July 1, 2010, **Public Chapter 1140** added "Tennessee Service-Disabled Veterans", which called for a new definition of the state law known as the **"Tennessee Minority Owned, Woman Owned and Small Business Procurement and Contracting Act"**, as the state of Tennessee's diversity program. Service-disabled veteran owned businesses are now the fourth (4th) category that will have the ability to register for certification via the new TN Go-DBE system. To qualify for certification, the company must be at least 51% owned and controlled by a person who is 20% or greater service disabled.

State agencies and departments are required to establish and strive to achieve departmental and agency level internal goals for actively soliciting events (formally Invitations to Bid (ITB) and proposals from minority owned, woman owned, **service-disabled veteran owned** and small business enterprises.

The Governor's Office of Diversity Business Enterprise (Go-DBE) is the central point of contact to attract and assist minority owned, women owned, service-disabled veteran owned and small business enterprises. The goal of this office is to increase the number of certified minority, women owned, service-disabled veteran owned and small businesses desiring to compete successfully in state procurement activity.

General program eligibility for diversity business categories are as follows:

Minority Business Enterprise (MBE)

A minority owned business that is a continuing, independent, for profit business which performs a commercially useful function, and is at least fifty-one percent (51%) owned and controlled by one (1) or more minority individuals who are impeded from normal entry into the economic mainstream because of past practices of discrimination based on race or ethnic background. Recognized ethnic minorities are as follows:





EXECUTIVE SUMMARY

Recent Legislative Changes (cont.)

African American

A person having origins in any of the Black racial groups of Africa.

Hispanic American

A person of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin, regardless of race.

Native American

A person having origins in any of the original peoples of North America.

Asian American

A person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands.

Woman Business Enterprise (WBE)

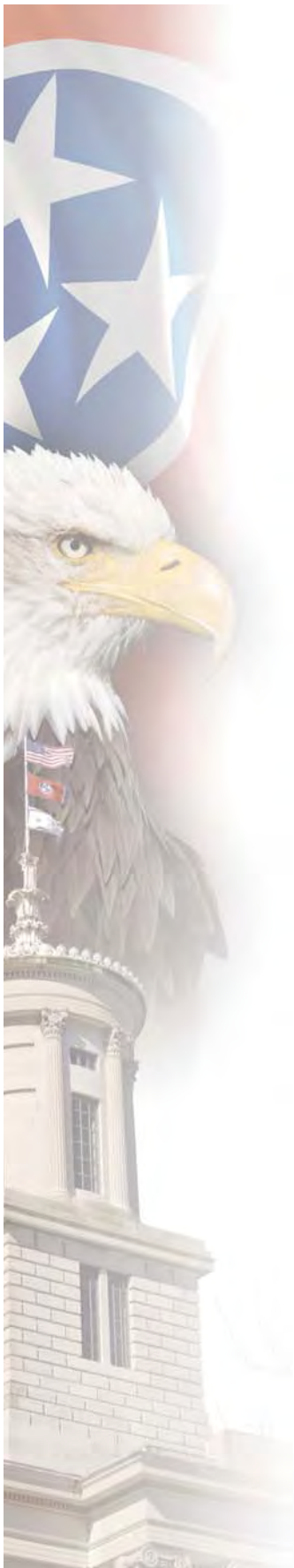
A woman owned business that is a continuing, independent, for profit business which performs a commercially useful function, and is at least fifty-one percent (51%) owned and controlled by one (1) or more women; or in the case of any publicly owned business, at least fifty-one percent (51%) of the stock of which is owned and controlled by one (1) or more women and whose management and daily business operations are under the control of one (1) or more women.

Service-Disabled Veteran Business Enterprise (SDVBE)

Tennessee Service-Disabled Veteran owned mean any person who served honorably on active duty in the Armed Forces of the United States with at least a twenty percent (20%) disability that is service-connected meaning that such disability was incurred or aggravated in the line of duty in the active military, naval or air service. "Tennessee service disabled veteran owned business" means a service-disabled veteran owned business that is a continuing, independent, for profit business located in the state of Tennessee that performs a commercially useful function.

Tennessee Service-Disabled Veteran owned means a service-disabled owned business that is a continuing, independent, for profit business located in the state of Tennessee that performs a commercially useful function, and

1. Is at least fifty-one percent (51%) owned and controlled by one (1) or more service-disabled owned veterans;
2. In the case of a business solely owned by (1) service-disabled veteran and such person's spouse, is at least fifty percent (50) owned and controlled by the service-disabled veteran; or
3. In the case of any publicly owned business, at least fifty-one percent (51%) of the stock of which is owned and controlled by one (1) or more service-disabled veteran and whose management and daily business operations are under the control of one (1) or more service-disabled veteran.





EXECUTIVE SUMMARY

Recent Legislative Changes (cont.)

Small Business Enterprise (SBE)

A business that is independently owned and operated, in accordance with the provisions of this part, and is not dominant in its field of operation.

Small Business Size Eligibility Guidelines:

The Governor's Office of Diversity Business Enterprise establishes small business guidelines based on industry and size standards. The criteria are required to be met in order for a business to be considered a small business with the state of Tennessee Governor's Office of Diversity Business Enterprise. The annual gross sales receipts or number of employees indicates the maximum allowed for small business concern and its affiliates to be considered for certification as a Small Business Enterprise (SBE).

Industry	Criteria
Agriculture, Forestry & Fishing	\$500K or 9 Employees
Architectural / Design / Engineering	\$2MM or 30 Employees
Construction	\$2MM or 30 Employees
Educational	\$1MM or 9 Employees
Finance, Insurance & Real Estate	\$1MM or 9 Employees
Information Systems / Technology	\$2MM or 30 Employees
Manufacturing	\$2MM or 99 Employees
Marketing / Communications / Public Relations	\$2MM or 30 Employees
Medical / Healthcare	\$2MM or 30 Employees
Mining	\$1MM or 49 Employees
Retail Trade	\$750K or 9 Employees
Service Industry	\$500K or 9 Employees
Transportation, Commerce & Utilities	\$1MM or 9 Employees
Wholesale Trade	\$1MM or 19 Employees





EXECUTIVE SUMMARY

New Business Procurement Process

In January 2009, the new procurement system implemented Edison. This change is the state's new method for how it procures goods, supplies, equipment and specialized services. Through the implementation of Edison, businesses interested in doing business with the state must "Register as a Sourcing Bidder" in Edison in order to receive electronic notifications of an Edison Sourcing Event.

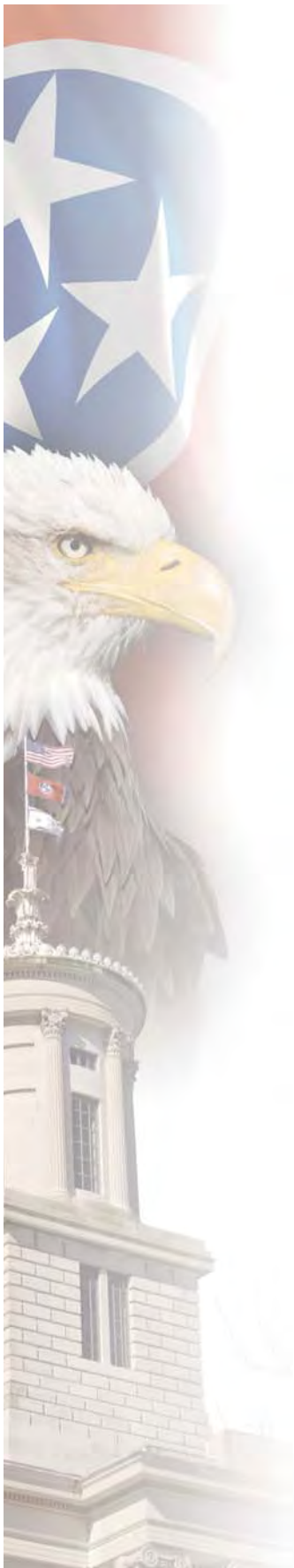
Sourcing Events replace the old way of bid notifications of an Invitation to Bid (ITB). Businesses previously received hard copy invitations to bid from the state of Tennessee through the U. S. Postal service to the address indicated by a registered bidder. "Registered Sourcing Bidders" now receive electronic messages as notification of a procurement of interest. The entire process of sourcing, registrations as a bidder, receiving bids, bid evaluation, and the awarding of contracts and purchase orders are electronically managed through the Edison procurement portal.

As a result, all bidders, vendors, suppliers, etc., seeking certification as minority owned, woman owned, service-disabled veteran owned and small business enterprises with Go-DBE must register in Edison in order to be electronically connected to the appropriate sourcing list formally known as "the bid list". This registration ensures each business that while being reviewed for certification with Go-DBE, they will be made known of any procurement opportunities of which they have expressed interest as the certification process continues.

The Governor's Office of Diversity Business Enterprise updates Edison with names of certified businesses in order for agencies to identify them during the sourcing phase of the procurement process. The certification identification will assist agencies and departments in better identifying registered bidders of which to add to their sourcing list for events that are less than \$25,000.00, which is the local purchase threshold amount delegated to agencies and departments.

This ongoing effort will assist agencies and departments to better achieve their agency internal goals for participation of Tennessee's small, minority owned, women owned and service-disabled veteran owned businesses.

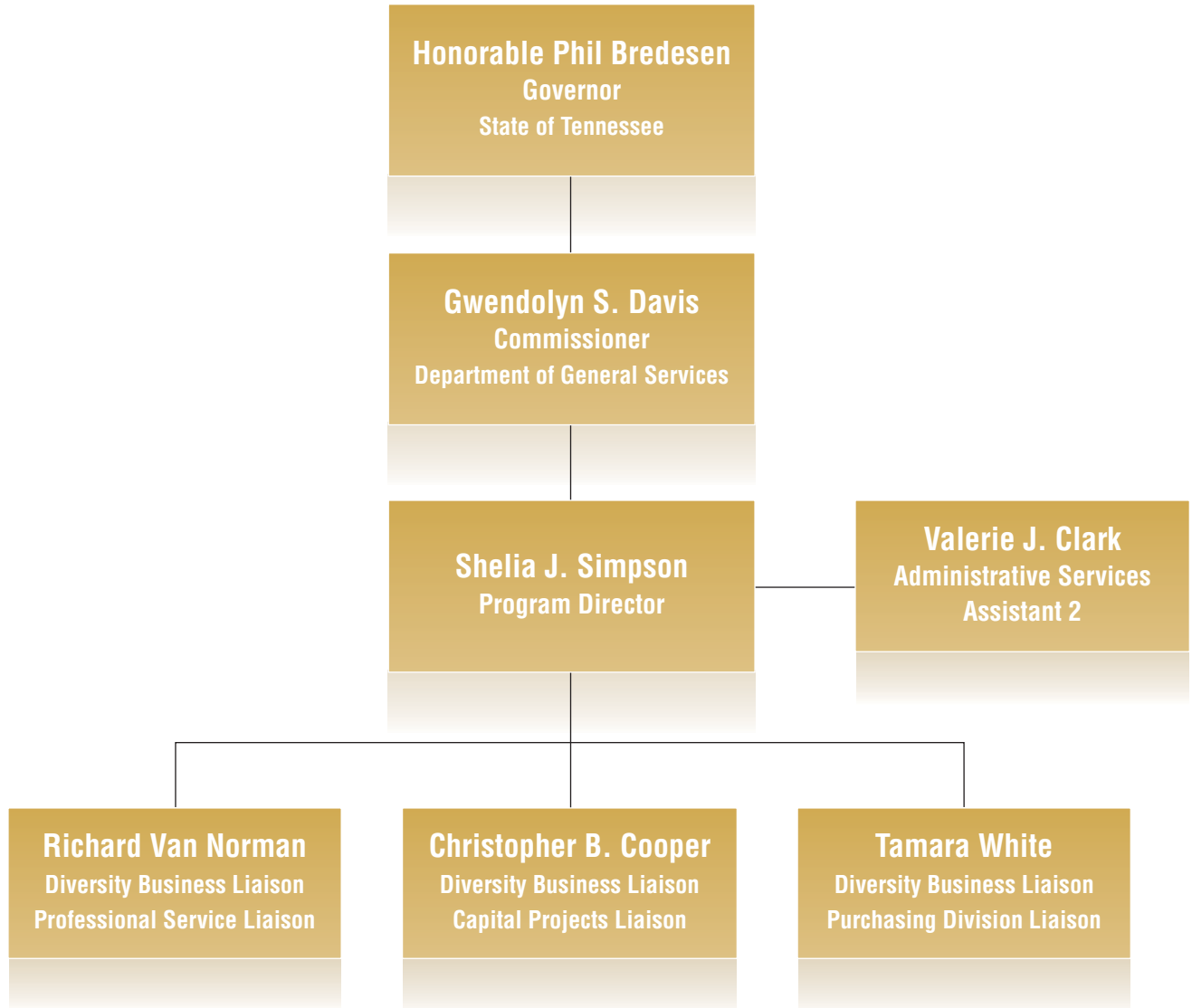
The report on dollars, awards and contracts awarded to diversity businesses in this report will reflect data captured through Edison.





EXECUTIVE SUMMARY

Department of General Services Governor's Office of Diversity Business Enterprise



PROGRAM HIGHLIGHTS AND ACCOMPLISHMENTS



PROGRAM HIGHLIGHTS

State of Tennessee

Diversity Business Enterprise Purchases and Contract Awards

The Governor's Office of Diversity Business Enterprise is charged with monitoring the awarding of purchase and contract awards made to diversity businesses by state agencies and departments. Overall diversity business purchase order and contract awards increased to **\$125,208,793.02** (2.25% Increase) from \$122,450,986.96 the previous fiscal year 2008-09. (See Chart No. 1 below)

Chart 1 below reflects program progression since inception. During the early stages of the program fiscal year 2004-2005 through 2006, the program was being developed, staff was hired to administer the program and policies and procedures were being developed. In fiscal years 2006 and 2007 Chart 1 reflects the program efforts to meet with the objectives of our strategic plan by reaching out to the diversity community and raising the level of awareness of the program.

From fiscal year 2006 through 2008, we hosted three (3) statewide Diversity Business Marketplaces which were outreach venues designed to bring procurement officials together with the diversity business community and actually perform on-site procurement opportunity awards. Chart 1 reflects a significant increase from \$30, 419,101 to \$77,770,449.

The program was gaining momentum from 2007 through 2008. Even in the steep economic downturn beginning with 2008, we were able to report an increase for this fiscal year from 2008-2009 to 2009-2010. In FY 2009-2010, we captured approximately 372 purchase order awards and/or contract awards with businesses certified with Go-DBE. In addition, it is noteworthy to mention 64 certified businesses received purchase orders and/or contract awards between \$100,000 and \$500,000 thousand dollars. We also identified five (5) businesses with awards over **\$5 million dollars**. (See Table 1 and Chart No. 2 below) for Top Dollar Awards:

Chart 1

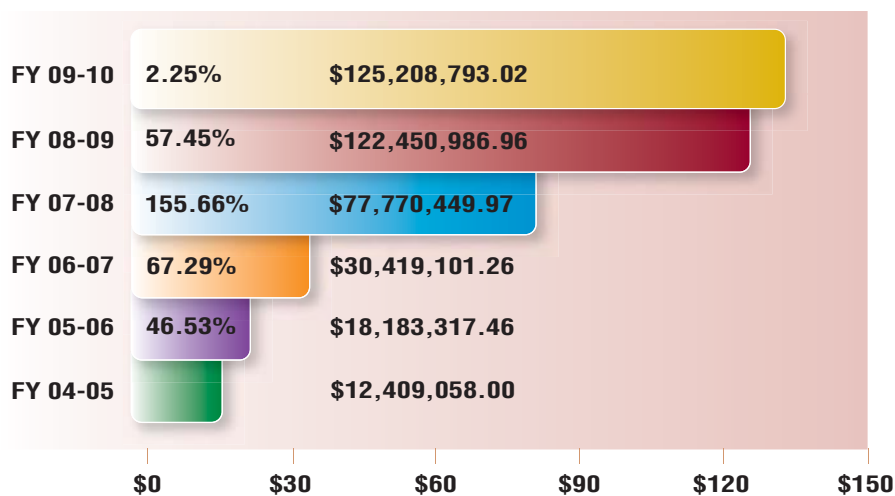
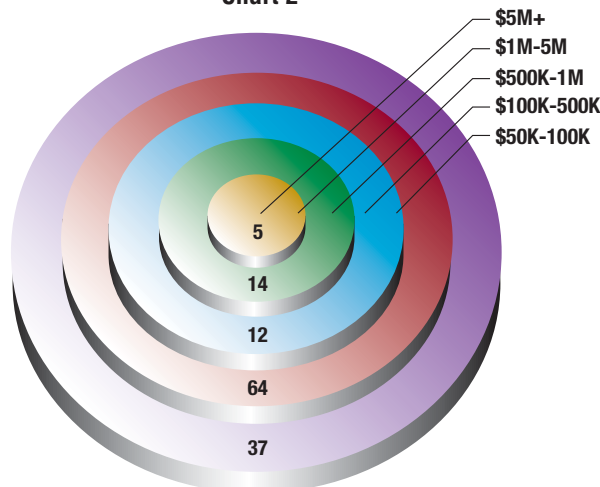


Table 1

TOP DOLLAR AWARDS	
No. of Businesses	Dollars
5	\$5M
14	\$1M-\$5M
12	\$500K-\$1M
64	\$100K-\$500K
37	\$50K-\$100K

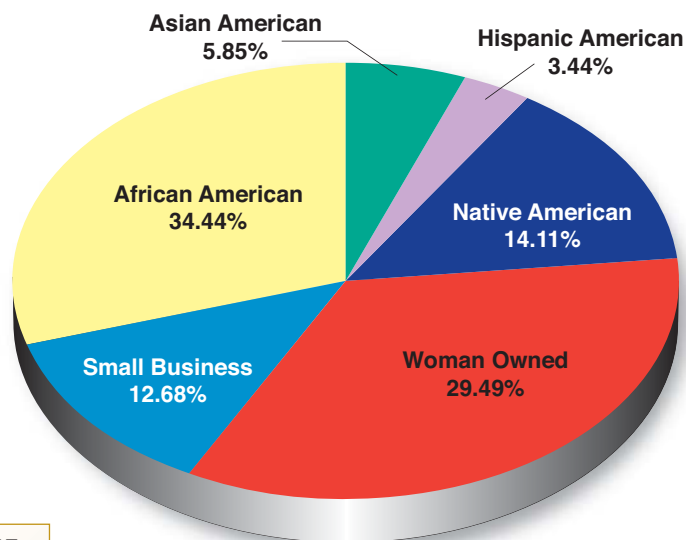
Chart 2



PROGRAM HIGHLIGHTS



Certified Diversity Business Awards by Percentage and Ethnicity



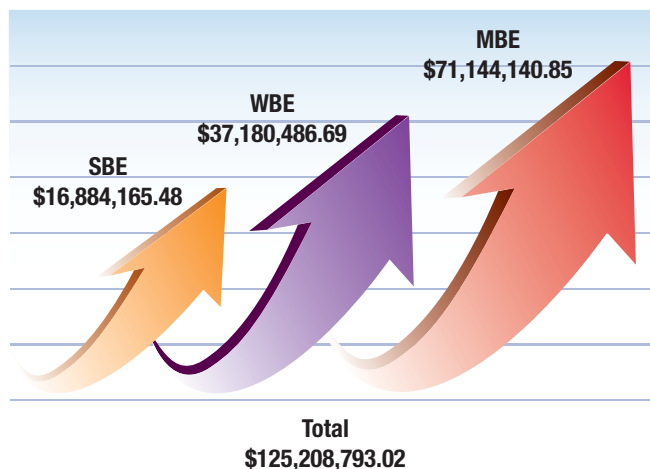
Diversity Business Procurement Awards by Ethnicity

African American	\$ 43,122,996.37
Asian American	\$ 7,318,507.92
Hispanic American	\$ 4,302,510.16
Native American	\$ 17,671,898.19
Woman Owned	\$ 36,918,145.31
Small Business	\$ 15,874,735.07
Total	\$ 125,208,793.02

Minority Owned, Woman Owned and Small Business Participation

The chart at right reflects the total dollars of **\$125,208,793.02** awarded this past fiscal year by subcategory.

Diversity Business Procurement Awards by Category





PROGRAM HIGHLIGHTS

REGISTRATION

The chart below depicts the number of registrations processed by Go-DBE during fiscal year 2009-2010 and the previous five years.

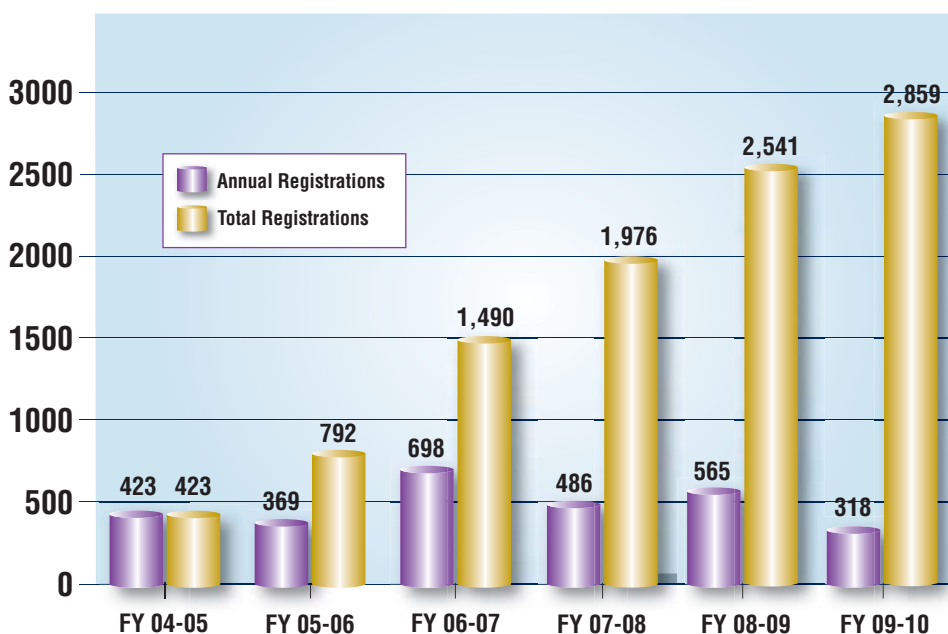
Diversity Business Enterprises interested in the State of Tennessee's procurement and contracting opportunities are encouraged to contact the Governor's Office of Diversity Business Enterprise. A complete electronic application for certification as minority owned, woman owned, service-disabled veteran owned or small business enterprise is available to assist these businesses with registration.

Project Edison uses the latest technology to streamline the way the state does business. Edison is an integrated, user-friendly, state-of-the-art system that is used to improve virtually all state business functions.

What does this mean for diversity businesses? Businesses seeking certification with the Go-DBE will register in Edison as the first step in the certification process. This ensures all certified businesses are connected to the appropriate sourcing list for procurement opportunities and they will receive electronic notification of procurement for which they have expressed interest.

Additionally, the Go-DBE has implemented it's new electronic on-line TN Go-DBE System for application for certification. Diversity businesses may access the TN Go-DBE System by visiting the Go-DBE web site at www.tn.gov/diversity and clicking on <https://tn.diversitysoftware.com>

Registrations





PROGRAM HIGHLIGHTS

Certification

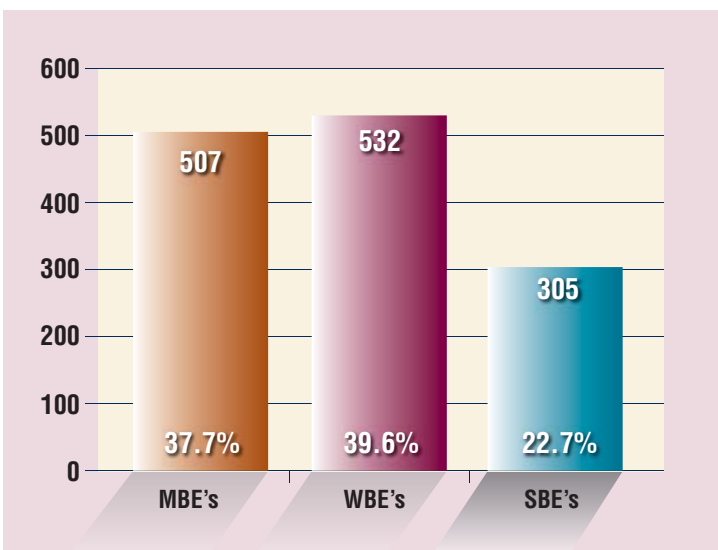
The chart below reflects the number of certified businesses for FY 2009-2010.

The Governor's Office of Diversity Business Enterprise certifies diversity businesses as minority owned, woman owned and small business enterprises. Firms desiring certification as a minority owned, woman owned, service-disabled veteran owned must substantiate they are independently owned and operated, must submit documentation to substantiate that at least 51% ownership of the stock, management and control of the daily operation of the business by one or more minority and or women individuals as defined in TCA 12-3-801(3).

Firms desiring certification as a small business must substantiate they are independently owned and operated and submit documentation regarding their annual sales volume or number of employees.

Go-DBE recognizes valid certification by other certification agencies such as the U. S. Small Business Administration, Minority Purchasing Councils, and Department of Transportation the National Association of Women Business Owners along with other state and local minority certification agencies. Each certified business will receive a certification letter which includes their certification number. Certifications issued by Go-DBE are valid for a period of two (2) years. Firms desiring to continue certification with the Go-DBE office are required to renew their certification at the end of the two (2) year period.

Certified Diversity Businesses



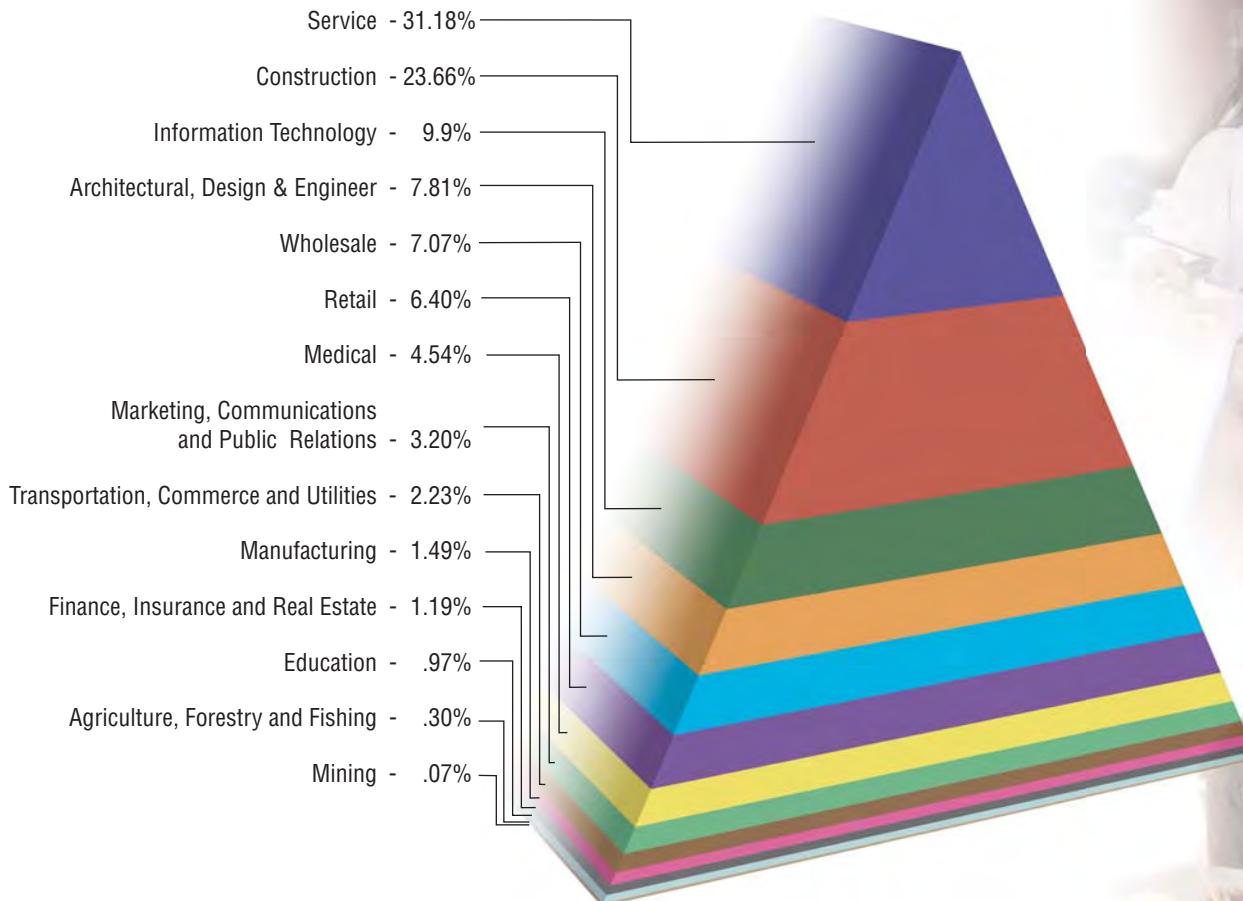


PROGRAM HIGHLIGHTS

Certification by Industry

Go-DBE publishes a directory of certified minority owned, woman owned, service-disabled veteran owned and small business enterprises. All state departments and agencies are encouraged to visit our directory to identify diversity businesses for sourcing of bid events and proposals. The certified directory is also utilized by local government and private sector companies to identify diversity suppliers as both prime and subcontractors. The directory is listed on the Go-DBE website at www.tn.gov/diversity and is current with real time data.

Industry	Quantity
Service	419
Construction	318
Information Technology	133
Architectural, Design, & Engineer	105
Wholesale	95
Retail	86
Medical	61
Marketing, Communications & PR	43
Transport, Commerce & Utilities	30
Manufacturing	20
Finance, Insurance & Real Estate	16
Education	13
Agriculture, Forestry & Fishing	4
Mining	1
Total:	1,344



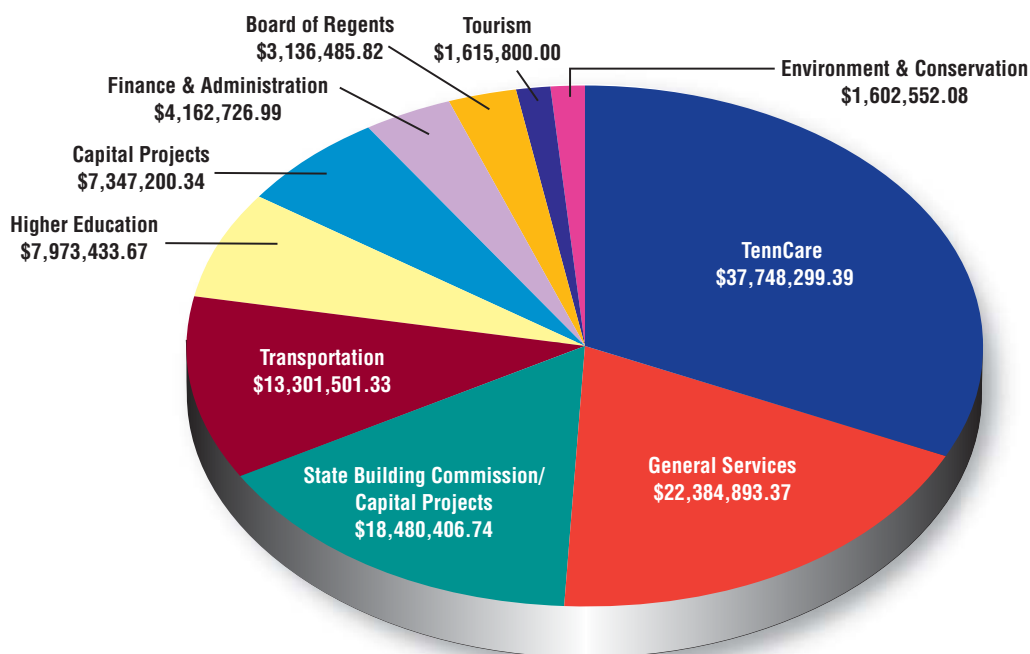


PROGRAM HIGHLIGHTS

Departments with Diversity Business Participation

Assisting state agencies and departments to achieve diversity participation is the core essence of the state diversity program. Each agency has specific internal goals of which they aspire to achieve. It is the charge of the Governor's Office of Diversity Business Enterprise to assist state agencies in their efforts to achieve maximum results in expanding opportunities to minority owned, women owned, and small business enterprises. The following chart represents state departments and agencies that achieved the highest dollars in terms of diversity participation in their contracts.

Department	Diversity Participation
TennCare	\$37,748,299.39
General Services	\$22,384,893.37
State Building Commission/Capital Projects	\$18,480,406.74
Transportation	\$13,301,501.33
Higher Education	\$ 7,973,433.67
Capital Projects	\$ 7,347,200.34
Finance & Administration	\$ 4,162,726.99
Board of Regents	\$ 3,136,485.82
Tourism	\$ 1,615,800.00
Environment & Conservation	\$ 1,602,552.08





PROGRAM HIGHLIGHTS

Dollars Awarded to Minority Business Enterprises, Women Business Enterprises and Small Business Enterprises

The following businesses are commended for their success in doing business with the state for fiscal year 2009-2010. There is no doubt that diversity businesses in the state of Tennessee have also struggled during this difficult economy. Several businesses have found it necessary to downsize, others felt the need to reorganize while many were totally unable to waver the storm of this recession. Doing business with the state of Tennessee is no easy task. Businesses are required to raise the standards in order to be successful in doing business with the state. Many may be required to adhere to specification and conditions other than those traditionally found in commercial practice. The firms listed below persevered through all obstacles and secured contracts with state agencies and departments.

Top 10 MBE's

Southeastrans, Inc	\$32,192,568
Flintco, Inc	\$17,382,618
RJ Abstract & Translation Service.....	\$ 3,473,148
Community Ties of America, Inc	\$ 3,396,079
Zycron, Inc.....	\$ 1,265,888
Amnesty Professional Services	\$ 1,120,898
Diamond Contract Services, Inc.....	\$ 1,051,374
SRS, Inc.....	\$ 954,689
Alpha Maxx Healthcare, Inc.....	\$ 729,107

Department

Bureau of TennCare
State Building Commission
Transportation
Bureau of TennCare
Finance & Administration
General Services, Human Services
General Services
Transportation
Bureau of TennCare

Top 10 WBE's

Walden Security	\$ 8,502,160
Carolina Imaging Products.....	\$ 4,941,122
Stones River Electric, Inc	\$ 3,012,555
Kimberly, Inc	\$ 2,842,521
Bomar Construction Co., Inc.....	\$ 2,199,000
Prosys Information Systems, Inc.....	\$ 1,932,334
Alicia Smith and Associates, LLC	\$ 1,014,977
KS Ware & Associates, LLC	\$ 1,002,593
Engineering, Inc	\$ 881,324
Walker & Associates, Inc	\$ 848,676

General Services
Multiple Agencies
Board of Regents
Transportation
State Building Commission
General Services
Bureau of TennCare
Environment & Conservation
Transportation
Higher Education

Top 10 SBE's

Rock City Construction Company, Inc.....	\$ 6,486,045
Hardcastle Construction Company, Inc	\$ 1,719,668
New Century Group dba Designsensory	\$ 1,500,000
ABC Services	\$ 970,991
Advanced Restoration Technology, Inc	\$ 821,649
Duley Hopkins & Associates, Inc	\$ 437,500
RPM Transportation Consultants, LLC	\$ 399,659
Hoilman Construction Company, Inc.....	\$ 363,729
Delta Consulting Group, Inc	\$ 350,000
Cardinal Construction Services, Inc	\$ 298,054

State Building Commission
State Building Commission
Tourism
General Services
General Services
Finance & Administration
Transportation
Board of Regents
Finance & Administration
Military

NOTE: The above lists of firms in the three sub-categories represent just a few of the total businesses as not all firms could be listed.





PROGRAM HIGHLIGHTS

Agency and Departmental Goals

State departments and agencies efforts to achieve diversity in contracting are monitored to assist them in increasing participation of minority owned, woman owned and small businesses in their department's procurement and contracting opportunities. Reports are submitted to Go-DBE documenting each department's efforts for actively soliciting bids and proposals and identifying any contracts or subcontracts awarded to diversity businesses.

The data is compiled and reviewed by Go-DBE staff to chronicle each department's progress. Annual department or agency level internal goals have been established for small, minority and woman owned business contracting. In establishing these annual goals, each department and agency worked closely with the Governor's Office of Diversity Business Enterprise. Internal goals are based on reported levels of expenditures for the prior fiscal year and the dollar amount contracted with certified diversity businesses. Expenditures by departments measured against agency internal goals were not available from Edison in FY 09-2010. The data will be published as an addendum upon receipt of the information.

Goals by department or agency for Fiscal Year 2009-10 are listed below:

Department Name	Dept. No.	Minority Goal	Women Goal	Small Goal	Overall Goal
Agriculture	325	3.00%	3.50%	27.00%	33.50%
Board of Probation and Parole	324	2.00%	2.00%	5.00%	9.00%
Board of Regents		3.50%	8.00%	13.00%	24.50%
Children's Services	359	5.00%	2.40%	12.00%	19.40%
Commerce & Insurance	335	7.00%	1.00%	17.00%	25.00%
Comptroller of the Treasury	307	1.00%	1.00%	1.00%	3.00%
Corrections	329	2.50%	3.00%	5.00%	10.50%
Economic & Community Development	330	19.00%	3.00%	26.00%	48.00%
Education	331	4.00%	1.00%	3.00%	8.00%
Environment & Conservation	327	6.60%	7.13%	30.07%	43.80%
Finance & Administration	317	1.00%	3.00%	2.00%	6.00%
Financial Institutions	336	3.00%	2.50%	20.00%	25.50%
General Services / Property Services Management	321& 501	6.00%	12.00%	7.00%	25.00%
Health	343	3.00%	3.00%	9.00%	15.00%
Higher Education	332	3.00%	3.00%	3.00%	9.00%
Human Resources	319	5.00%	9.00%	30.00%	44.00%
Human Services	345	6.00%	1.00%	5.00%	12.00%
Labor & Workforce	337	3.00%	5.00%	8.00%	16.00%
Mental Health & Developmental Disabilities	339	5.00%	2.00%	10.00%	17.00%
Division of Intellectual Disabilities Service	344	7.00%	2.00%	18.00%	27.00%
Military	341	2.00%	3.00%	12.00%	17.00%
Revenue	347	2.75%	5.00%	8.00%	15.75%
Safety	349	4.00%	5.00%	9.00%	18.00%
State Building Commission - Capital Improvement	355	2.00%	3.00%	6.00%	11.00%
TennCare	318	10.00%	8.00%	10.00%	28.00%
Tennessee Bureau of Investigation	348	2.00%	2.00%	9.00%	13.00%
Tennessee Department of Transportation	401-499	2.00%	1.00%	3.00%	6.00%
Tennessee Wildlife Resources Agency	328	3.00%	2.25%	19.00%	24.25%
Tourist Development	326	1.00%	5.00%	10.00%	16.00%
Veterans Affairs	323	1.00%	3.00%	16.00%	20.00%
Department Averages:		4.18%	3.73%	11.77%	19.67%

REPORTING BY STATUTORY REQUIREMENTS

**REPORTING BY STATUTORY REQUIREMENTS****Governor's Office of Diversity Business Enterprise Diversity Participation****Purchase Order and Contract Awards****Fiscal Year 2009-2010**

12-3-808(a) — The commissioner shall annually report, on or before each December 31, to the governor and to each member of the general assembly concerning the awarding of purchases to minority owned, woman owned and small businesses and the total value of awards made during the preceding fiscal year under the provisions of this part. The commissioner shall also include in such annual report **the number, by category, of minority owned, woman owned and small businesses solicited; the number of bids received, by category, from minority owned, woman owned and small businesses; and the dollar amount of purchases awarded, by category, to minority owned, woman owned and small businesses.**

Minority Owned Business

	Number of Solicitations	Number of Bids Received	Dollar Amount of Awards
Purchase Order Awards	16,226	4,132	\$ 6,476,954.42
*Contract Awards			\$71,144,140.85
Totals			\$77,621,095.27

*Reporting requirement: Contracts awarded are manually tracked under the **Governor's Office of Diversity Business Enterprise** program initiatives. Purchase Order Awards are now captured through Edison, the state's new enterprise resource solution.

Woman Owned Business

	Number of Solicitations	Number of Bids Received	Dollar Amount of Awards
Purchase Order Awards	11,122	8,228	\$16,448,281.58
*Contract Awards			\$37,180,486.69
Totals			\$53,628,768.27

*Contracts awarded and manually tracked under **Governor's Office of Diversity Business Enterprise** new program initiatives. An Information Systems program is currently being developed to track Solicitations and the number of Request for Proposals (RFP's) and total service contracts awarded by departments.

Small Business

	Number of Solicitations	Number of Bids Received	Dollar Amount of Awards
Purchase Order Awards	27,276	19,050	\$71,869,216.17
*Contract Awards			\$16,884,165.48
Totals			\$88,753,381.65

*Contracts awarded and manually tracked under **Governor's Office of Diversity Business Enterprise** program initiatives. Purchase Order Awards are now captured through Edison, the state's new enterprise resource solution.





REPORTING BY STATUTORY REQUIREMENTS

Governor's Office of Diversity Business Enterprise Diversity Participation

Minority Owned Business Solicited for State Procurement Opportunities

Fiscal Year 2009-2010

*12-3-808(b) — In annually reporting the information on minority owned, woman owned and small businesses, based upon information provided by vendors, the commissioner shall, in a separate section of the report, indicate the **number of businesses solicited within each of the four (4) subcategories enumerated within § 12-3-802(3)**, the number of bids received from each of the four (4) subcategories enumerated within § 12-3-802(3), and the total number and dollar amount of all purchases awarded within each of the four (4) subcategories enumerated within § 12-3-802(3). For purposes of evaluation, the report shall also indicate the total number and dollar amount of all purchases by all state agencies during the reporting period.*

*Solicitation of Minority Businesses by Subcategories	Number of Solicitations	Number of Bids Received	Number of Awards	Dollar Amount of Awards
African American	6,584	1,885	4,326	\$ 2,649,373.61
Asian American	1,958	612	1,174	\$ 1,840,053.61
Hispanic American	1,128	341	629	\$ 484,542.98
Native American	955	473	646	\$ 667,933.25
Totals	10,625	3,311	9,775	\$ 5,641,903.45

